

105TH CONGRESS  
1ST SESSION

# H. R. 2940

To enhance competition and consumer choice in the delivery of financial products and services.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 8, 1997

Mr. DREIER (for himself and Mrs. MYRICK) introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To enhance competition and consumer choice in the delivery of financial products and services.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Financial Services  
5 Competitive Enhancement Act”.

6 **SEC. 2. ANTI-AFFILIATION PROVISIONS OF “GLASS-**  
7 **STEAGALL ACT” REPEALED.**

8 (a) **SECTION 20 REPEALED.**—Section 20 of the  
9 Banking Act of 1933 (12 U.S.C. 377) is repealed.

1 (b) SECTION 32 REPEALED.—Section 32 of the  
2 Banking Act of 1933 (12 U.S.C. 78) is repealed.

3 **SEC. 3. FINANCIAL ACTIVITIES.**

4 Section 4(c)(8) of the Bank Holding Company Act  
5 of 1956 (12 U.S.C. 1843(c)(8)) is amended to read as  
6 follows:

7 “(8) shares of any company the activities of  
8 which the Board has determined (by regulation or  
9 order) to be financial in nature or incidental to such  
10 financial activities and—

11 “(A) effective 90 days after the date of the  
12 enactment of the Financial Services Competitive  
13 Equality Act, it shall be financial in nature to  
14 provide insurance as principal, agent, or broker  
15 in any State, in full compliance with the laws  
16 and regulations of such State that uniformly  
17 apply to each type of insurance license or au-  
18 thorization in such State, except that in no  
19 event shall the company, the bank holding com-  
20 pany, or any affiliate of the company or bank  
21 holding company be subject to any State law or  
22 regulation that restricts a bank from having an  
23 affiliate, agent, or employee in such State li-  
24 censed to provide insurance as principal, agent,  
25 or broker; and

1           “(B) the Board shall prescribe regulations  
2           concerning insurance affiliations that provide  
3           equivalent treatment for all stock and mutual  
4           insurance companies that control or are other-  
5           wise affiliated with a bank and fully accommo-  
6           date and are consistent with State law;”.

7   **SEC. 4. INSURANCE COMPANY INVESTMENTS.**

8           Section 4 of the Bank Holding Company Act of 1956  
9   (12 U.S.C. 1843) is amended by adding at the end the  
10 following new subsection:

11       “(k) INSURANCE COMPANY INVESTMENTS.—Not-  
12 withstanding subsection (a), a bank holding company may  
13 directly or indirectly acquire or control, whether as prin-  
14 cipal, on behalf of 1 or more entities (including any sub-  
15 sidiary of the holding company which is not a depository  
16 institution or subsidiary of a depository institution) or oth-  
17 erwise, shares, assets, or ownership interests (including  
18 without limitation debt or equity securities, partnership  
19 interests, trust certificates or other instruments represent-  
20 ing ownership) of a company or other entity, whether or  
21 not constituting control of such company or entity, en-  
22 gaged in any activity not authorized pursuant to this sec-  
23 tion if—

1           “(1) the shares, assets, or ownership interests  
2           are not acquired or held by a depository institution  
3           or a subsidiary of a depository institution;

4           “(2) such shares, assets, or ownership interests  
5           are acquired and held by an insurance company that  
6           is predominantly engaged in underwriting life, acci-  
7           dent and health, or property and casualty insurance  
8           (other than credit-related insurance);

9           “(3) such shares, assets, or ownership interests  
10          represent an investment made in the ordinary course  
11          of business of such insurance company in accordance  
12          with relevant State law governing such investments;  
13          and

14          “(4) during the period such shares, assets, or  
15          ownership interests are held, the bank holding com-  
16          pany does not directly or indirectly participate in the  
17          day-to-day management or operation of the company  
18          or entity except insofar as necessary to achieve the  
19          objectives of paragraph (3).”.

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